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## NEWS RELEASE

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### **PSC Accepts Settlement in Atmos Energy Rate Case** *Natural gas utility sought \$3.3 million in additional revenue; settles for \$500,000*

**FRANKFORT, Ky. (Aug. 4, 2016)** – The Kentucky Public Service Commission (PSC) has approved a settlement granting Atmos Energy less than one-sixth of a requested increase in its natural gas distribution base rates, leaving average monthly bills essentially unchanged.

Under the terms of the settlement, the monthly service charge for Atmos residential customers will decrease from the current \$18.65 to \$17.50.

The reduction in the monthly residential service charge includes a reduction to zero of a \$2.65 surcharge assessed to pay for an accelerated program to replace aging pipes in the Atmos distribution system. That surcharge was in addition to the \$16 base monthly service charge, making the total \$18.65.

The delivery charge for gas will rise from \$1.32 per 1,000 cubic feet to \$1.53 per 1,000 cubic feet.

In an order issued today, the PSC found the settlement to be reasonable and in the public interest.

The rates agreed to in the settlement do not include the cost of the gas itself, which accounts for about half the total bill. The gas cost is adjusted every three months to reflect - on a dollar-for-dollar basis – the amount Atmos pays for gas on the wholesale market.

Atmos Energy serves nearly 175,000 customers in central and western Kentucky.

The company filed a rate increase request in November 2015, seeking an additional \$3.3 million in revenue from gas distribution operations, an increase of about 2 percent. The company stated that residential customers would see an increase, on average, of slightly more than 2 percent in the base rate portion of their bills.

Under the terms of the settlement, the base rate portion of residential bills will change only slightly, increasing somewhat during months of high gas usage and decreasing slightly when gas usage is low.

The settlement was negotiated by Atmos Energy and the Kentucky Office of Attorney General, which was the only other party to the case. It was submitted to the PSC on June 24.

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The PSC conducted an evidentiary hearing to consider the settlement on June 28.

Any increase in the pipeline replacement surcharge from zero would be subject to PSC approval and could not occur until the fall of this year.

The settlement also addresses rates for other customer classes and a number of other matters, including changing the company's depreciation rates and requiring certain information to be filed with its next general rate application.

Today's order, the case file and the video of the evidentiary hearings are available on the PSC website, [psc.ky.gov](http://psc.ky.gov). The case number is 2015-00343.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 85 employees.

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